

**Delegation of the  
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to the  
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**Press Briefing**

**MEDIA BRIEFING  
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**BRIEFERS:**

**PAULA DOBRIANSKY  
ANDREW NATSIOS  
JAMES MOSELEY  
JAMES CONNAUGHTON  
CLAUDE ALLEN  
LINDA FISHER  
ROBERT CARD  
PETER WATSON  
JENNIFER HAVERKAMP  
DAVID GARMAN  
JOHN TURNER  
ANNE PETERSON**

**Under Secretary Dobriansky:** I am pleased to welcome you here today. I am Paula Dobriansky, the Under Secretary of State for Global Affairs. I am very pleased to welcome you here today to the announcement of our signature partnerships for sustainable development. I am accompanied by distinguished, dedicated U.S. government officials representing President George Bush and I would like to just introduce them briefly. We have Andrew Natsios who is the Administrator of the U.S. Agency for International Development, Jim Connaughton, Chairman of the White House Council on Environmental Quality.

We have James Moseley, the Deputy Secretary, Department of Agriculture. We have Claude Allen, the Deputy Secretary, Department of Health and Human Services. We have Linda Fisher who is the Deputy Administrator of the Environmental Protection Agency. We have Robert Card who is the Under Secretary for Energy, Science and Environment at the Department of Energy. We also have with us John Turner, the Assistant Secretary of State for Oceans, Environment and Science. We have as well Jennifer Haverkamp who is the Assistant U.S. Trade Representative here. We have Anne Peterson who is the Assistant Administrator for Global Health at USAID, and finally we have Dave Garman who is the Assistant Secretary for Energy Efficiency and Renewable Energy at the Department of Energy.

President Bush stated last week, "the U.S. delegation will come to Johannesburg with concrete and practical proposals for strong and lasting partnerships to advance some of the world's key development priorities -- clean water, modern energy, good health and productive agriculture -- that can lead us to a world without poverty."

Today we are launching our partnerships. I would like to add the United States is the world's leader in sustainable development. No nation has made a greater contribution and a more concrete contribution to sustainable development.

Much attention has been placed on the text of the Johannesburg Plan of Action, which now runs to some 30,000 words. Words are good; actions are better. Concrete actions and only concrete actions can prevent children from contracting water-borne diseases; allow families to cook meals indoors without risking fatal respiratory illnesses; protect delicate African ecosystems; empower small-hold farmers with the capacity to feed their families; and prevent the transmission of deadly viruses to children of HIV mothers.

Over the next week we will be highlighting five initiatives. These initiatives, coupled with others we will unveil shortly in the areas of housing, oceans, biodiversity, education and other sectors, constitute a vital step down the road toward sustainable development.

First, our "Water for the Poor Initiative" expands access to clean water and sanitation services, improves watershed management, and increases the efficiency of water in industrial and agricultural activities. This initiative will help achieve the UN Millennium Declaration goal of cutting in half by 2015 the proportion of people who lack safe drinking water. Under this initiative, we will invest \$970 million over three years, which can leverage private sources to generate more than \$1.6 billion dollars for water-related activities globally.

Second, our "Clean Energy Initiative" seeks to provide millions of people with new access to energy services, increase the efficiency of energy use, as well as significantly reduce readily preventable deaths and respiratory illnesses which

are associated with motor vehicle and indoor air pollution. Under this initiative, we propose to invest up to \$43 million dollars in 2003 to leverage about \$400 million in investments from the United States and other governments, the private sector and development organizations.

Third, our "Initiative to Cut Hunger in Africa" will spur technology sharing for smallholders, strengthen agricultural policy development, fund higher education and regional technology collaboration, and expand resources for local infrastructure and transportation, marketing and communications. The United States will invest \$90 million in 2003, including some \$53 million to harness science and technology for African farmers and \$35 million to unleash the power of markets for smallholder agriculture.

Fourth, our "Congo Basin Forest Partnership" will promote economic development, alleviate poverty, improve governance, and conserve natural resources in six central African countries. These include Cameroon, Central African Republic, the Democratic Republic of Congo, Equatorial Guinea, Gabon and the Republic of Congo. The U.S. intends to invest up to \$53 million over the next four years to support sustainable forest management and a network of national parks and protected areas and to assist local communities, matched by contributions from international environmental organizations, host governments, G-8 nations, the European Union, as well as the private sector.

Finally, we reaffirm the commitment of President Bush to help fight HIV/AIDS, tuberculosis and malaria through financial and technical support for the Global Fund and the International Mother and Child HIV Prevention Initiative. Our bilateral programs and research will contribute to this effort. The Bush Administration has requested \$1.2 billion in 2003 to combat these three diseases. These efforts will help achieve the Millennium Development Goal of halting by 2015 the spread of HIV/AIDS and the scourge of malaria and other communicable diseases.

These partnerships are key elements in the new approach to development that President Bush embraced with other national leaders at the Monterrey Conference in March - an approach based on shared accountability among developed and developing countries.

They draw on the combined expertise, energy and enterprise of governments in developing and developed countries, civil society, business, international organizations and others.

Over the coming months and years, you will be hearing a lot about these partnerships. You will hear a lot about commitment and resolve. Hold us accountable for these initiatives we identify and for their successful implementation. In fact, these are the people up here who will be implementing these initiatives. At the same time, hold all governments -- in developed and

developing countries alike -- accountable for implementing concrete actions to improve the lives of all of our citizens. We owe this and future generations nothing less.

I would now like to ask Andrew Natsios, Administrator of the U.S. Agency for International Development, to say a few words about the outstanding work of USAID in promoting agricultural productivity and relieving famine.

Natsios: Thank you, Paula. I have just returned from a field visit to the countries affected by the drought in Southern Africa. I was in Zambia yesterday and the day before. And I was in Malawi before that and I will go to Mozambique tomorrow. I just want to report to you on what I saw and what is happening.

I have been running famine relief efforts around the world for nearly 12 years now and have written a couple of books on the subject, and have been through some pretty horrendous famines in the past that got out of hand. Droughts do not have to become famines. Famines are man made; droughts are natural disasters. The difference between the two is the response of governments, the UN, NGOs, donor governments, the policies that governments develop and how the international system works to respond to a weather emergency.

Ten years ago, for the first Bush Administration, I ran at a lower-level in AID the disaster response effort to the last major southern African drought. There have been others since. But the last one was the worst one of the 20<sup>th</sup> century. Twenty-three million people were at risk in 13 countries. America provided 74% of all the food distributed and there was minimal loss of life – we saved most everyone. And the area and the region recovered.

The political situation now is much more complicated in southern Africa and things are beginning to slide. The U.S. has committed half a million tons of food toward the UN appeal of a million tons. We will make more commitments as time goes on. We have delivered 100,000 tons already that is on the ground and being distributed. Another 100,000 tons is now on the high seas and we are ordering 290,000 tons, as we speak, from the Mid-West grain markets, through the U.S. Department of Agriculture. So we are doing our part. The problem is there are political issues complicating this. In particular in Zimbabwe, where the wrong policies are in place and things are sliding fairly rapidly there, we are very, very alarmed about what is happening. If we do not speed up the relief effort, we will have a tragedy on our hands by December, January, February.

Time is the enemy of all famine responses. People do not starve based on our timetables; they die because they do not get enough nutrition. In rural areas that I went to on this trip, people are eating wild famine food, which is an indicator of famine. There are 12 to 14 pre-famine indicators that indicate that people are under severe stress and that famine is approaching. Seven of them are now present in the country, in particular in Zambia where I was just yesterday. When

we left Washington we knew three [indicators] that our staff had identified; I found four more. That is an alarming sign of deterioration of conditions.

Now, the answer in the long term is not food assistance from the international community. The long-term answer is to develop the capacity agriculturally in these countries so they are not dependent on the outside when they have droughts. We have a severe drought in the U.S. – 49 states are affected by it. We are not at risk. We are going to have economic consequences in the U.S. but no one is at risk nutritionally in the U.S. because of the drought.

Countries like India, that are poor countries, developed famine systems, response systems 50 years ago. They have not had a famine since independence. In fact, Noble Prize winner Amartya Sen says there has never been a famine in a democracy. The way in which we can ensure that this pattern of famine and response does not take place in the future is by investing more in agriculture. There has been a massive disinvestment by donor governments, by the international institutions, by the banks and by some countries in the Third World, in agricultural development. Seventy percent of the poor people in the world live in rural areas, particularly in sub-Sahara Africa. And their farmers are herders. If we do not deal with agriculture, we cannot deal with the problem of poverty.

Our program that we've announced earlier today -- and there is material, there is a book, in your package on sustainable development generally; but there is part of it on agricultural work that I would commend to you. There is also a CD ROM in the back with a 300-page book on it on all of the work all of the federal agencies are doing in sustainable development and I urge you to look at it.

The work we are doing is focused on the poor farmers in the remote areas who do not have access normally to new science and technology, to training and to new developments that might be known in urban areas or in the northern countries. And so, we are working on providing more scholarships to train African scientists to get their PhDs so they can go back to their country, develop their own research institutions and manage their agriculture ministries and their health ministries around these food issues.

There are a number of other very innovative approaches that we are taking and a strategy - I am personally committed to this, it is one of my top priorities, it is one of the President's top priorities and Colin Powell's top priorities: we put a 25% increase into the agriculture budget for the 2003 budget - that is the money we are spending to increase and we are re-hiring agronomists (because we let them retire without replacing them in the 1990's; we need to reverse what happened then) to go back into agriculture. All of the international institutions and donor governments need to do that if we are going to avoid having these tragedies taking place every few years. The Africans are capable, if we can help them, to

develop capacity to feed themselves, and in fact, to export food. We need to initiate this program now so that we do not have this continual cycle.

Dobriansky: Before we open it up for questions that you may have, I just wanted to recognize also another member of our team is Peter Watson, who is the President of the Overseas Private Investment Corporation.

Q. Hello. Matt Daily with Reuters: I have a two-part question. One is we have heard a lot of talk about partnerships with the private sector. There is very few details here about which companies in particular these partnerships are being set up with. Can someone on the panel address that? Second of all, you say monitor us, make sure we follow up on this. What sort of oversight are you willing to accept and possibly propose here at this conference to make sure that these projects do what they say they will do?

A. Natsios: In terms of the groups, if you wish, we can provide you a list, but we spent about \$125 million on approximately 100 partnerships with NGOs, universities in the U.S., foundations, think tanks, universities in the Third World, local NGOs and business. And some of them are, there are 10 groups. For example I am announcing later today the Water Initiative for Mali, Ghana and Niger. It is \$42 - \$43 million dollars. AID is only putting in \$4 million dollars; the Conrad Hilton Foundation is the major funder, but there are a number of the largest NGOs in the U.S. that have joined it. There are some water companies involved in it. It is quite an extensive list of foundations, NGOs, other donor governments are joining – and it is to dig wells in rural areas and to connect the wells to income generation for poor people, particularly women and girls, in the village settings because if the wells are not maintained, of course, they become useless. But there are ways of increasing family income using these wells if they are carefully planned. We know this works. World Vision built 1000 wells in Ghana over 10 years through the Hilton Foundation. This is a dramatic expansion of what was a successful program. That is just one example. We have done them, as I said, in some 100 different cases. We have computer listings of what they are. Each one has to go to Congress, by the way, to be approved by committee – so there is a lot of oversight. We had to negotiate each one as we went through it.

A. Dobriansky: In fact, I would add to that one point – the particular USAID project with the Conrad Hilton Foundation - has also been joined by UNICEF, by Winrock International. You asked about the number of organizations. There are quite a number, as Andrew said. Let us come to the second part.

Q. Matt Daily with Reuters [inaudible]

- A. Natsios: Well – it is on a list, if you want me to sit here and read this, it will take nearly half an hour. If it is not on the list then the companies are not participating in it. To my knowledge, all of the partnerships are on a list, a copy of which can be provided by USAID.
- A. Dobriansky: Let's go to the second part of your question. You asked about the issue of monitoring. In fact in the Bali meeting, we made a proposal that as we go through with various initiatives, that through, for example, the Commission on Sustainable Development, this be used as a forum to take stock of the pace of the trends of what in fact is taking place – not only on the part of the U.S. but all countries concerned. So very concretely, we see as a forum – the Commission on Sustainable Development – as being a very good forum in which to discuss, to take stock, to look at what are the developments concretely in terms of partnerships and initiatives and what work is being done.
- Q. Mason : Financial Times of London. The overall message that is not money, but how money is being spent is being made time and time again already. Nonetheless it would be extremely helpful to everybody, if you could explain a bit more about the money. I gather that the funding for all the initiatives that you are announcing at this summit are a mixture of old and new money. Can you give an idea of the scale of the new money that you are putting on the table at this summit and how much of that is still to be approved by Congress?
- A. Connaughton: Each year our budgets have to be approved by Congress, so I will start there. The issue of funding is actually a matter of money and how it is being used. To respond to that particular point, I cannot give you a sense of the percentage. In fact, – and in part it turns on the other partners who come forward from other countries and what we can craft, not just today but in the months that follow – as we continue on the implementation path toward sustainable development. So I cannot give you a specific percentage, but let me give you some examples.

As you are all aware, last fall the President announced a 50% increase in our development aid through the Millennium Challenge Account – that is going to rise to the level of \$5 billion additional dollars in 2006 annually – on top of the \$10 billion dollars in aid that we already provide which in end of itself is a 10% increase. Now that is a funding stream that is apart from what we have got in these partnership proposals that you are looking at today. And in the funding streams there are programs that we have worked to get into the President's budget in 2003. There are programs on which we are now making multi-year commitments that we hope to run through our Congress and ensure their successful passage.

I will give you one example there – which is the \$970 million dollar commitment on water toward our Water Initiative which again, as we talk about money and additional sources of money, we are hoping that money will leverage a total of \$1.6 billion of funds, once you get beyond the governmental expenditures. To give you another example, in the energy area we are proposing \$43 million dollars for next year just for 2003, that we believe will leverage an additional \$400 million dollars from other sources to accomplish the goals of our Energy Initiative. Those are some examples of how money matters but also how you use the money matters.

- A. Natsios: Let me go back to the Millennium Challenge Account question, because this has got lost and I have to tell you it makes me really annoyed. The President has made the largest increase proposal for an increase in foreign aid since Jack Kennedy. We have gone back carefully in the records of AID that go back to the 1940's. There have been three major Presidential initiatives since World War II in foreign assistance. Harry Truman, everybody knows the Marshall Plan, and aid to Greece and Turkey. Then Jack Kennedy, who created AID as a formal institution (it had predecessors), created the Alliance for Progress. The third major initiative is the Millennium Challenge Account of President Bush that he announced at the Inter-American Development Bank.

The budget for fiscal 2004 that will be presented to the Congress in January for the Millennium Challenge Account will offer a significant increase to our Official Development Assistance beyond all of the stuff we are talking about today. Over three years that will grow to \$5 billion – a 50% increase over our current \$10 billion of foreign assistance, to \$15 billion. That is a huge increase. It is the largest in 40 years. I want to emphasize that. None of that is being counted and there is a reason for that.

A lot of these international conferences -- and I have been going to them for 12 years - are supply driven, which is to say the UN agencies and the NGOs negotiate these documents with the donors. I've got to tell you, it is not really carefully designed, based on what the demand is and the feel in the poor countries. This is not how this is done. If some of you think that, let me disabuse you of that. Most of us who do this work professionally have written about this, believe these decisions should not be made at an international (level). They need to be made in the field, in the ministries with the NGO field staff, not at the headquarters. That is not how it is done.

The President insisted every time someone would say, "well we need to use some of this money from the Millennium Challenge Account for this conference". He said absolutely not. That is going to be programmed in the field by the governments that conform to these three standards: good governance, just governance, respecting human rights – that's the first condition. Market Economy, Liberalized Economy, Good Investment



Climate, Encouraging Entrepreneurs – second requirement. And, investing in their own people. They have to show in the past – not in the future – that they have invested in health and education. If they are of the small group that gets chosen to get this money, it will be a huge amount of money for those countries, and it will be programmed in the field. That is not part of any of the announcements we are making. We could have easily done that but it would have been the wrong thing to do. We did the right thing. However, we cannot take credit for it because it is this vague thing, which is going to be decided in each country, in the villages, in the ministries, in the NGO community, in the field where it needs to be decided.

Q. BBC World Service: I would like to ask Andrew Natsios, you mentioned visiting Mozambique tomorrow. Can you highlight what is your priority towards Mozambique and if you have any concrete plans to help Angola as well?

A. Natsios: I will be returning to South Africa. I have to go back to Washington and come back with Colin Powell next week. After my second trip to the WSSD, we go to Angola. Then we go on to Gabon on this Congo Basin Initiative.

We have large programs in Angola over \$100 million dollars for reconstruction. We are working now with the Angolan Government, the UN and the International Committee of the Red Cross and the NGOs, to make sure that the demobilization of soldiers from the armies that were in conflict for the last 20 years is carried out properly. You know that it collapsed twice before and that is what plunged the country back into the war. We do not want this plunging back into war again. I have been given an instruction by the White House, "let's not let that happen again." We have got teams in the field working with the international institutions and the NGOs to ensure that this demobilization and resettlement of people goes properly. There is terrible suffering in Angola.

In Mozambique, our program is one of our most successful in the world. The Mozambican government has made extraordinary progress given that they lost two million people in one of the most destructive civil wars in Africa. They are a model – a model for reform, for improved management and for development. I am going to see Dr. Mocumbi, the Prime Minister who is a friend of mine. We are going to be opening the new AID Mission on Friday. Our focus is their economic development, reform, health care, education.

Q. NHK : A question I suppose for Secretary Garman on the issue of the clean energy initiative. I wonder, given that renewable energy is such a major battleground here in Johannesburg, to what degree renewable energy will be promoted as part of this initiative? Beyond that, a little bit political, if

you can go for things like the Clean Energy initiative, why can the U.S. not commit to the target being proposed by the European Union in Johannesburg?

- A. Garman: The quick answer to that is we are looking for projects and opportunities to make renewable energy happen now. I will give you an example. Right now today, in Morocco, we are doing an assessment of the Moroccan wind resource. It looks to be quite good. This will provide an opportunity to promote new wind generation in Morocco, not only to take care of their domestic needs, but in fact, they may have enough of this wind resource to export to Europe. So we are looking at concrete projects that will actually produce renewable energy today. Now as for the larger question of why not commit. Again, renewable energy is expensive. Last night I went to an African energy forum where some of the delegates were quite adamant about the expense of photovoltaics in the village context. Yes, there are some places and some times where photovoltaics makes sense, particularly if you can avoid the infrastructure investments. But as a general proposition, right now renewable energy is expensive. It tends to be more expensive than other sources. When we want to provide access to energy to as many people as we can, we do not want to necessarily commit ourselves to a certain percentage going toward a more expensive alternative. We will use renewable energy in the context of these partnerships wherever we can. We will promote energy efficiency in these partnerships in every instance. But we want to match the energy supply with the need of the country we are dealing with.
- Q. Charles Clover, Daily Telegraph in London: I thought it slightly strained credibility of your delegation – which has, as far as I can count, 12 people on it, sitting up there – that you have not actually worked out how much new money was on the table, additional to Monterrey, at this conference. Could you possibly answer that question?
- A. Natsios: Part of what we have proposed for example, on the water initiative – which is quite a large initiative – is from what is called the Development Credit Authority. It is a very small credit authority within AID but it leverages 20 times the amount of money that we ourselves put into it. We have a large credit program, for example, for housing. We've built something like 30,000 houses in the last few years in South Africa using this credit authority, which is very successful. What we have done is to take this credit authority in a very unique way and we are putting \$4 million dollars a year for 5 years. Our normal leveraging is 20:1. What we will do then, is in the countries where there are municipal governments that wish to borrow money and cannot get the money borrowed because banks will not give it to them – because it is too much of a risk – is give them a 50% guarantee. We want the local institutions to take some of the risk. The total value of that is in fact \$400 million dollars. That is in the water initiative. Now is that new

money? Yes, it is new money, it is \$20 million dollars in new money, but it is also new money in terms of private sector capital from the financial institutions in the country in which they are going to run this. Now, is that appropriated in the American budget? No, it is not. Is it our money? No it is not. It is Third World money, it is from the developing world financial institutions. But they would have not have spent that money on municipal water systems without this credit authority.

Now, I could get up here and tell you it is all new money and you can add it up and we can be a little disingenuous. I am not going to do that. Is it going to be used for water projects? Absolutely. The places where you would use it have been extraordinarily successful. Our career staff came up with the idea of doing this because it brings in local capital to do that. That is the only one way that I think we used the Development Credit Authority in. See our technical people here. If you want afterwards, I will have one of our technical people who can go through each of the proposals and show you. It is not a huge amount of money. The huge amount of Official Development Assistance money that I talked about earlier will be in the budget next year. All told, it is going to increase each year until it gets to a \$5 billion increase over the base of \$10 billion. We are not going to stand at this conference though and tell you all that is going into the projects that the conference has negotiated because that may not be what these countries need. What they need, they are going to negotiate with us, and with the NGO community. These countries will all be democracies with robust democratic institutions. They can decide how they want the money spent – not an international forum. I frankly think we should talk about that. That is the way foreign assistance is supposed to be done.

Dobriansky: Thank you very much, that concludes our briefing today.

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